

TERRESTAR CORPORATION, ET AL.

Debtors-in-Possession

Condensed Consolidated Balance Sheets (Unaudited)

May 31,
2012

ASSETS

Current assets

Cash and cash equivalents	\$ 4,288,363
Due from affiliated companies	53,340,188
Notes due from TerreStar Networks Inc. including accrued interest	59,975,000
Notes due from TerreStar Global LTD including accrued interest	15,695,683
Deferred issuance costs towards bridge loan	2,926,001
Other current assets	182,494

136,407,729

Total current assets

Intangible assets

Equity investments in affiliated companies

177,480,000
322,398,339

Total assets

\$ 636,286,068

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued expenses

Bridge loan, net

Other current liabilities

Series A cumulative convertible preferred stock

Series B cumulative convertible preferred stock - SOLUS ALTERNATIVE ASSET

Series A and Series B cumulative convertible preferred stock dividends payable

\$ 3,959,904

4,304,763

162,425

90,000,000

318,500,000

76,972,116

493,899,208

Total current liabilities

25,773,205

Deferred income taxes

519,672,413

Total liabilities

Stockholders' equity

Series C preferred stock (\$0.01 par value, 1 share authorized and 1 share issued and outstanding at April 30, 2012)

Series D preferred stock (\$0.01 par value, 1 share authorized and 1 share issued and outstanding at April 30, 2012)

Series E junior convertible preferred stock (\$0.01 par value, 1,900,000 shares authorized and 1,200,000 shares issued and outstanding at April 30, 2012)

12,000

Common stock; voting, par value \$0.001; authorized 240,000,000 shares; 142,750,399 shares issued and 138,799,197 shares outstanding as of April 30, 2012

1,427,504

Additional paid-in capital

964,769,152

Treasury stock (3,951,202 common shares held in treasury stock at April 30, 2012)

(73,876,875)

Accumulated deficit

(775,718,127)

Total stockholders' equity

116,613,654

Total liabilities and stockholders' equity

\$ 636,286,067